

Message Text

CONFIDENTIAL

PAGE 01 LONDON 17418 01 OF 02 121708Z

41

ACTION NODS-00

INFO OCT-01 ISO-00 /001 W

----- 107684

Z 121649Z NOV 75 ZFF 4

FM AMEMBASSY LONDON

TO SECSTATE WASHDC FLASH 6457

C O N F I D E N T I A L SECTION 01 OF 02 LONDON 17418

NODIS

FOR SONNENFELDT ONLY FROM DOBBINS

E.O. 11652: GDS

TAGS: ECON

SUBJECT: ECONOMIC SUMMIT

1. FOLLOWING IS TEXT OF "BASIS FOR JOINT STATEMENT OR AGREED PRESS BRIEFING", DRAFTED DURING THE NOV 12 MEETING OF THE CARLETMN GROUP. PARTICIPANTS AGREED TO TRANSMIT TEXT TO THEIR HEADS OF STATE, NOT AS A PROPOSED COMMUNIQUE OR STATEMENT, BUT RATHER AS A BASIS FROM WHICH DESIGNATED OFFICIALS AT THE SUMMIT MIGHT WORK TO PRODUCE EITHER SOME FORM OF AGREED STATEMENT OR COMMON TALKING POINTS.

2. IT WAS FURTHER AGREED THAT EACH PARTICIPATING HEAD OF STATE WOULD DESIGNATE ONE OFFICIAL TO WORK ON POSSIBLE JOINT STATEMENT OR TALKING POINTS, THAT THESE OFFICIALS WOULD MEET DURING THE SUMMIT, AND THAT THE FRENCH GOVERNMENT WOULD BE ASKED TO PROVIDE A LOCATION FOR THESE OFFICIALS TO MEET CONVENIENT TO THE HEADS OF STATE.

3. REPORT ON MEETING FOLLOWS SEPTTEL.

4. BEGIN TEXT:

"BASIS FOR JOINT STATEMENT OR AGREED PRESS BRIEFING"
ON NOVEMBER 15, 16 AND 17, 1975 WE HELD A SEARCHING
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LONDON 17418 01 OF 02 121708Z

AND PRODUCTIVE EXCHANGE OF VIEWS ON THE WORLD ECONOMIC

SITUATION, ON ECONOMIC PROBLEMS COMMON TO OUR COUNTRIES, ON THEIR SOCIAL AND POLITICAL IMPLICATIONS, ON PLANS FOR RESOLVING THEM AND ON THE NEED AND THE OPPORTUNITY FOR MUTUALLY SUPPORTIVE CO-OPERATION.

WE CAME TOGETHER BECAUSE OF SHARED BELIEFS AND SHARED RESPONSIBILITIES. WE ARE EACH RESPONSIBLE FOR THE GOVERNMENT OF AN OPEN, DEMOCRATIC SOCIETY, DEDICATED TO INDIVIDUAL LIBERTY AND SOCIAL ADVANCEMENT. OUR SUCCESS WILL STRENGTHEN, IT IS ESSENTIAL TO DEMOCRATIC SOCIETIES EVERYWHERE. WE ARE EACH RESPONSIBLE FOR ASSURING THE PROSPERITY OF A MAJOR INDUSTRIAL ECONOMY. THE GROWTH AND STABILITY OF OUR ECONOMIES WILL HELP THE ENTIRE INDUSTRIAL WORLD AND DEVELOPING COUNTRIES TO PROSPER. THE INDUSTRIAL DEMOCRACIES HAVE HAD THESE LAST TWO YEARS TO FACE MAJOR SOCIAL AND ECONOMIC CHALLENGES UNPRECEDENTED IN THE POST WAR PERIOD: HIGH UNEMPLOYMENT, CONTINUING INFLATION AND THE ENERGY CRISIS.

ALREADY THE INDUSTRIAL COUNTRIES ARE RESPONDING TO THESE CHALLENGES. THE PURPOSE OF OUR MEETING WAS TO REVIEW OUR PROGRESS, IDENTIFY MORE CLEARLY THE PROBLEMS THAT WE MUST OVERCOME IN THE FUTURE, AND TO SET A COURSE THAT WE WILL FOLLOW IN THE COMING MONTHS.

OUR FIRST URGENT TASK IS TO ASSURE NON-INFLATIONARY RECOVERY OF OUR ECONOMIES AND BY OUR EFFORTS CONTRIBUTE TO A GREATER PROSPERITY OF THE WORLD ECONOMY AS A WHOLE. EFFORTS IN EACH OF OUR COUNTRIES, IN SOME CASES GIVEN ADDITIONAL STRENGTH IN RECENT MONTHS, ARE COMPATIBLE AND MUTUALLY SUPPORTIVE. THEY HAVE AND WILL HELP TO INCREASE EMPLOYMENT, TO REDUCE INFLATION, TO STIMULATE INVESTMENT, AND TO RESTORE CONSUMER CONFIDENCE. WHILE AT DIFFERENT POINTS IN OUR FIGHT AGAINST RECESSION AND INFLATION, WE ARE CONFIDENT THAT WITH COMPATIBLE AND MUTUALLY SUPPORTIVE POLICIES, GENERAL RECOVERY IS IN SIGHT.

WE MUST NOW AIM TO GENERALIZE THE RECOVERY AMONG THE MAJOR INDUSTRIAL COUNTRIES. WE WILL SEEK TO RESTORE A SUSTAINED AND SUSTAINABLE ECONOMIC EXPANSION AND ATTAIN HIGH LEVELS OF EMPLOYMENT. AT THE SAME TIME WHILE WE OBSERVE THAT THE RATE OF INFLATION HAS BEEN GENERALLY REDUCED, WE ARE DETERMINED TO REMAIN RESPONSIVE TO THE NEED

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 LONDON 17418 01 OF 02 121708Z

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 LONDON 17418 02 OF 02 121715Z

41

ACTION NODS-00

INFO OCT-01 ISO-00 /001 W

----- 107756

Z 121649Z NOV 75 ZFF 4

FM AMEMBASSY LONDON

TO SECSTATE WASHDC FLASH 6458

C O N F I D E N T I A L SECTION 02 OF 02 LONDON 17418

NODIS

FOR VIGILANCE ON THIS FRONT. REDUCTION OF THE HIGHEST RATES OF INFLATION WILL HAVE THE DESIRABLE ADDITIONAL EFFECT OF ALSO REDUCING DISPARITIES AMONG NATIONAL INFLATION RATES. AND WE WILL SEEK TO RESTORE GROWTH IN THE VALUE OF UORLD TRADE AS DOMESTIC RECOVERY AND ECONOMIC EXPANSION PROCEED.

BUT RECOVERY FROM THE RECESSION IS NOT ENOUGH. WE MUST CREATE THE CONDITIONS FOR STABLE GROWTH OVER THE LONG TERM. TO THIQ END, WE MUST INTENSIFY OUR EFFORTS IN THE FIELDS OF TRADE, MONEY AND ENERGY.

INTERNATIONAL TRADE IS ONE OF THE MOST POWERFUL FORCES FOR LONG TERM GROWTH AND LOWER INFLATION. TO MAINTAIN AN OPEN TRADING SYSTEM IN A PERIOD WHERE PRESSURES ARE DEVELOPING FOR A RETURN TO PROTECTIONISM THE MAIN TRADING NATIONS MUST AVOID RESORT TO MEASURES BY WHICH THEY COULD TRY TO SOLVE THEIR PROBLEMS AT THE EXPENSE OF OTHERS AND WHICH COULD LEAD TO ECONOMIC, SOCIAL AND POLITICAL EVILS. MOREOVER IT IQ NECESSARY TO EXPAND WORLD TRADE AND WE BELIEVE THAT THE MULTILATERAL TRADE NEGOTIATIONS, FOLLOWING THE PRINCIPLES LAID DOWN IN THE TOKYO DECLARATION, SHOULD BE ACCELERATED. THEY SHOULD AIM AT SUBSTANTIAL TARIFF CUTS, EVEN ELIMINATING TARIFFS IN SOME COMMODITY AREAS, AT SIGNIFICANTLY IMPROVING THE REGIME FOR AGRICULTURAL TRADE, AND AT REDUCING NON-TARIFF MEASURES. WE PROPOSE AS OUR GOAL COMPLETION OF THE NEGOTIATIONS IN 1977 AND DIRECT OUR TRADE OFFICIALS TO CARRY OUT THIS AND OTHER GOALS IN THE FIELD OF TRADE.

(THE INTERNATIONAL MONETARY SYSTEM MUST ENABLE COUN-
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LONDON 17418 02 OF 02 121715Z

TRIES TO PURSUE ECONOMIC GROWTH AND PRICE STABILITY AT

HOME, WHILE PROMOTING THE FREE FLOW OF GOODS, SERVICES AND CAPITAL. TO ENSURE ITS EFFECTIVE OPERATION WE WILL MAKE EFFORTS TO ATTAIN STABLE DOMESTIC GROWTH, AND CONSEQUENTLY GIVE A SOUND BASIS TO THE STABILITY OF EXCHANGE RATES. WE AGREE ON THE DESIRABILITY OF AVOIDING SUCH ERRATIC FLUCTUATIONS WHICH AFFECTED AT TIMES IN THE PAST CERTAIN EXCHANGE MARKETS AND WERE NOT EXPLAINED BY UNDERLYING ECONOMIC TRENDS. WE DECIDED TO GIVE AN IMPULSE TO SEEK WAYS OF ACHIEVING GREATER STABILITY OF EXCHANGE RATES ON THOSE MARKETS. WE ALSO AGREED THAT MINISTERS OF FINANCE SHOULD FIND SOLUTIONS FOR OTHER OUTSTANDING INTERNATIONAL MONETARY ISSUES AT THE MEETING OF THE INTERIM COMMITTEE OF THE IMF IN JANUARY 1976. WE WERE ALSO IN AGREEMENT ON THE IMPORTANCE FOR NON-INFLATIONARY GROWTH OF AVOIDING AN EXCESSIVE CREATION OF INTERNATIONAL LIQUIDITY IN THE WORLD ECONOMY.)

A CO-OPERATIVE RELATIONSHIP AND IMPROVED UNDERSTANDING BETWEEN THE DEVELOPING COUNTRIES AND THE INDUSTRIAL WORLD IS FUNDAMENTAL TO THE SUCCESS OF EACH. SUSTAINED GROWTH IN OUR ECONOMIES IS NECESSARY TO GROWTH IN DEVELOPING COUNTRIES. AND RECIPROCALLY THEIR GROWTH CONTRIBUTES SIGNIFICANTLY TO HEALTH IN OUR OWN ECONOMIES. THE PRESENT LARGE DEFICITS IN THE AGGREGATE CURRENT ACCOUNTS OF THOSE DEVELOPING COUNTRIES WHO ARE NOT OIL EXPORTERS REPRESENTS A CRITICAL PROBLEM NOT ONLY FOR THEM BUT FOR THE REST OF THE WORLD AS WELL. RECENT PROPOSALS IN SEVERAL INTERNATIONAL MEETINGS HAVE IMPROVED THE ATMOSPHERE OF THE DISCUSSION BETWEEN DEVELOPED AND DEVELOPING COUNTRIES. BUT NOW, MINDFUL OF THE NEED FOR EARLY PRACTICAL ACTION TO ASSIST THE DEVELOPING COUNTRIES, WE SEEK THROUGH THE IMF, URGENT IMPROVEMENTS IN INTERNATIONAL ARRANGEMENTS FOR THE STABILIZATION OF EXPORT EARNINGS AND FOR DEALING WITH BALANCE OF PAYMENTS PROBLEMS. OUR ECONOMIES DEPEND UPON ACCESS TO LARGE AND CONTINUING SUPPLIES OF ENERGY AND, SINCE ENERGY SO PERVADES THE ECONOMIC PROCESS, SHARP CHANGES IN PRICE ARE SHARPLY DISRUPTIVE. IN EACH COUNTRY THE IMPORTANCE OF NATIONAL EFFORTS TO CONSERVE USE OF ENERGY AND TO DEVELOP RESOURCES IS FULLY RECOGNIZED BUT WE ALSO PLEDGE CLOSE CO-OPERATION ON AN INTERNATIONAL LEVEL TO EFFORTS FOR OUR

CONFIDENTIAL

PAGE 03 LONDON 17418 02 OF 02 121715Z

CONSERVATION, TECHNOLOGICAL EXCHANGE, NEW EXPLORATION AND PRODUCTION.

FINALLY, WE LOOK TO AN ORDERLY AND FRUITFUL INCREASE IN OUR ECONOMIC RELATIONS WITH SOCIALIST COUNTRIES AS AN IMPORTANT ELEMENT IN PROGRESS IN DETENTE, AND IN WORLD ECONOMIC GROWTH.

TO ASSURE SUCCESS OF THESE OBJECTIVES WE WILL PLAY OUR OWN FULL PART AND WILL WORK CLOSELY TOGETHER IN THE AP-

PROPRIATE INTERNATIONAL ORGANIZATIONS. END TEXT

RICHARDSON

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TEXT, ECONOMIC CONDITIONS, CAT-B, SUMMIT MEETINGS, MEETING REPORTS, INTERGOVERNMENTAL COOPERATION, PLANNING MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 12 NOV 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: greeneet
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975LONDON17418
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: P840178-2329
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751151/aaaabtbq.tel
Line Count: 226
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NODS
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: NODIS
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: NODIS
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: greeneet
Review Comment: n/a
Review Content Flags:
Review Date: 01 JUL 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <01 JUL 2003 by ShawDG>; APPROVED <05 NOV 2003 by greeneet>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ECONOMIC SUMIT
TAGS: ECON, ETRD, EFIN, US, UK, FR, GE, IT, JA
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006